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190936Z Mar 01

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ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	ACQ-00	CEA-01	CIAE-00	SMEC-00
	COME-00	CTME-00	INL-00	DOEE-00	SRPP-00	DS-00	EB-00
	EUR-00	EXIM-01	E-00	FBIE-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	IO-00	ITC-01	L-00	VCE-00	AC-01
	NSAE-00	OES-01	OMB-01	OPIC-01	PA-00	PM-00	PRS-00
	ACE-00	P-00	SP-00	SSO-00	STR-00	TRSE-00	USIE-00
	SNIS-00	NISC-00	PMB-00	DSCC-00	DRL-02	G-00	NFAT-00
	SAS-00	/010W					

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC PRIORITY 2284
INFO NSC WASHDC PRIORITY
SECDEF WASHDC PRIORITY
JOINT STAFF WASHDC PRIORITY
USCINCPAC HONOLULU HI//J5/FPA// PRIORITY
DIA WASHDC PRIORITY
ASEAN COLLECTIVE
AMEMBASSY BEIJING
AMCONSUL HONG KONG
AMEMBASSY TOKYO
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 01 OF 06 HANOI 000638

SIPDIS

STATE ALSO FOR EAP/BCLTV, EB, DRL, INR
NSC FOR EAST ASIAN DIRECTORATE
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E.O. 12958: DECL: 3/14/11
TAGS: [PGOV](#) [PREL](#) [ETRD](#) [VM](#) [DPOL](#)
SUBJECT: LEADERSHIP OPTIONS BEING HASHED OUT IN CENTRAL COMMITTEE PLENUM

REF: STATE 40645 (C-AL1-00227)

[1](#)1. (U) CLASSIFIED BY POLCOUNS JAMES BRUNO;
REASONS 1.5 (B) AND (D).

[1](#)2. (C) SUMMARY: VIETNAM'S CENTRAL COMMITTEE HAS BEEN CLOISTERED AT COMMUNIST PARTY HEADQUARTERS THIS PAST WEEK, DELIBERATING ON THE FATE OF GENERAL SECRETARY PHIEU AND A NEW LEADERSHIP LINE-UP. IN THIS "SECOND SESSION" OF THE 11TH PLENUM, THE CENTRAL COMMITTEE HAS BEEN TRYING TO FORGE CONSENSUS SO THE OPENING OF THE NINTH PARTY CONGRESS CAN BE FINALIZED AND, IF POSSIBLE, A NEW "TROIKA" OF LEADERS FORMALIZED AT THAT TIME. THE LATTER IS BY NO MEANS CERTAIN, THOUGH, AS A BROAD MIX OF CANDIDATES IS BEING PUSHED BY DIFFERENT GROUPS OF SENIOR LEADERS. MOREOVER, THE LEADERS HAVE ALREADY ANNOUNCED THERE WILL BE AT LEAST ONE MORE PLENUM BEFORE THE CONGRESS, AND COMMENTS IN THE MEDIA ABOUT THE POLITICAL REPORT AND ECONOMIC PROGRAM SUGGEST THEY ARE STILL BEING MODIFIED BY "GOOD IDEAS" FROM THE LOCAL LEVELS. WE JUDGE IT LIKELY PHIEU WILL BE REPLACED, THOUGH PERHAPS NOT AT THE CONGRESS IF A SUCCESSOR CANNOT BE AGREED UPON. PHIEU REPORTEDLY IS
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FIGHTING HARD FOR HIS POLITICAL LIFE; HIS SPEECH OPENING THE PLENUM EMPHASIZED THE NEED FOR FUTURE LEADERS TO BE OF THE HIGHEST INTEGRITY.

[1](#)3. (C) SUMMARY (CONT'D): HANOI PARTY CHIEF TRONG, CPV ORGANIZATION DIRECTOR AN, PRESIDENT LUONG AND NATIONAL ASSEMBLY SPEAKER MANH ARE MOST FREQUENTLY MENTIONED AS PHIEU'S POSSIBLE SUCCESSORS. DEPUTY PM DUNG SEEMS THE MOST LIKELY OF THE SOUTHERN "REFORMERS" TO TAKE THE PRIME MINISTER SLOT. THE FATE OF THE SENIOR ADVISORS IS STILL UP IN THE AIR; THEY CONTINUE TO PLAY PROMINENT ROLES IN THE JOCKEYING FOR NEW LEADERSHIP SLOTS. WITH THEIR RESURGENT INFLUENCE, IT LOOKS INCREASINGLY UNLIKELY THEY WILL GO QUIETLY INTO THE NIGHT. WHOEVER IS LEFT STANDING IN THE POLITBURO AT THE END, THIS COLLECTIVE LEADERSHIP WILL CONTINUE TO MUDDLE THROUGH WITH ITS GRADUAL APPROACH TO REFORM. SINCE CONSENSUS PLAYS SUCH A PARAMOUNT ROLE IN THEIR DECISION-MAKING, WE DO NOT EXPECT DRAMATIC CHANGES IN

THE SHORT TERM NO MATTER WHO IS CHOSEN. END SUMMARY.

PLENUM FOCUSED ON LEADERSHIP

14. (U) WITH THE THREE SENIOR ADVISORS LOOKING ON FROM THE FRONT ROW, COMMUNIST PARTY OF VIETNAM (CPV) GENERAL SECRETARY LE KHA PHIEU OPENED THE SECOND SESSION OF THE 11TH PLENUM MARCH 13 BY NOTING THE PARTY WOULD CONTINUE ITS DISCUSSION OF PERSONNEL ISSUES FOR THE UPCOMING NINTH PARTY CONGRESS. PHIEU, WIDELY BELIEVED TO BE FIGHTING FOR THIS POLITICAL
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LIFE, SAID THE CENTRAL COMMITTEE NEEDED TO PUT FORWARD LEADERSHIP CANDIDATES WHO "REPRESENT THE PARTY'S WILL AND INTELLIGENCE AND WHO POSSESS ADEQUATE POLITICAL AND MORAL BACKGROUND, A DEEP SENSE OF RESPONSIBILITY, AND COMPETENCE IN LEADERSHIP AND IMPLEMENTATION OF POLICIES." HE STRESSED IT WAS NECESSARY "TO ENSURE INHERITANCE AND CONTINUITY OF PARTY LEADERSHIP AND POLITICAL STABILITY" WHILE WORKING TO ADVANCE THE "DOI MOI" RENOVATION PROCESS. PHIEU SAID IT WAS IMPORTANT THAT THE NEW CENTRAL COMMITTEE MUST NOT INCLUDE ANYONE OF BAD CHARACTER, GUILTY OF "OPPORTUNISM, GREED, POOR DISCIPLINE, DISUNITY, BUREAUCRATISM, CORRUPTION, INCOMPETENCE AND IRRESPONSIBILITY."

15. (U) IN ADDITION TO LEADERSHIP QUESTIONS, THE PLENUM HAS FOCUSED ON THE KEY CPV DOCUMENTS TO BE PRESENTED AT THE CONGRESS -- THE POLITICAL REPORT, 5-YEAR AND 10-YEAR ECONOMIC PLANS, AND THE PARTY STATUTE. IN HIS REMARKS PHIEU NOTED THE CPV HAS RECEIVED HUNDREDS OF LETTERS AND COMMENTS FROM THE GENERAL PUBLIC -- RANGING FROM STUDENTS TO RETIREES AND WAR VETERANS -- RESPONDING TO THE PARTY'S CALL FOR FEEDBACK ON THE DRAFT POLITICAL REPORT RELEASED FEB. 3. PHIEU CLAIMED THE CPV WILL COLLATE ALL THE IDEAS AND SUGGESTIONS PRESENTED, AND WILL "INCORPORATE" THESE IDEAS IN REVISING THE REPORT.

16. (SBU) IN HIS REMARKS, PHIEU NOTED THE CPV "DOES NOT HAVE MUCH TIME FOR THIS PLENUM." TENTATIVELY THIS PLENUM IS SCHEDULED TO GO UNTIL MARCH 20. PHIEU ALSO CONFIRMED THAT A 12TH PLENUM WILL BE HELD BEFORE THE CPV CONGRESS. REPORTS HAVE BEEN CIRCULATING FOR SOME TIME IN HANOI THAT THE CONGRESS MIGHT BE HELD IN EARLY APRIL, BUT BECAUSE OF APPARENT DIFFICULTY IN REACHING AGREEMENT ON LEADERSHIP CHANGES, WE HAVE RECENTLY HEARD REPORTS THE CONGRESS COULD SLIP TO JUNE. A BUSY SCHEDULE OF ASEAN MEETINGS HANOI IS HOSTING IMPINGES ON THE CALENDAR IF THERE IS MUCH DELAY. (HANOI IS HOSTING ASEAN SENIOR OFFICIALS' MEETINGS IN MID-MAY, WITH THE ASIAN MINISTERIAL, POST-MINISTERIAL AND ASEAN REGIONAL FORUM MEETINGS IN LATE JULY.)

PHIEU ON THE DEFENSIVE

17. (C) ONE OF THE GREAT DRAMAS OF THIS PLENUM SESSION IS THE FATE OF PHIEU AND WHETHER HE WILL BE ABLE TO HOLD ON TO HIS JOB. IN OCTOBER LAST YEAR, THE THREE
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SENIOR ADVISORS, INCLUDING HIS FORMER MENTOR LE DUC ANH, CIRCULATED A LETTER AMONG THE LEADERSHIP ACCUSING PHIEU OF LACKING ABILITY IN MANAGEMENT OF PARTY AND STATE AFFAIRS. DIFFERENT THEORIES CIRCULATE IN HANOI AS TO WHAT CAUSED ANH IN PARTICULAR TO TURN AGAINST HIS FORMER PROTEGE. SOME HAVE SUGGESTED THAT PHIEU LOCKED THE GVN INTO A BAD DEAL WITH THE CHINESE ON BORDER DEMARCATION WITHOUT FULLY CONSULTING HIS COLLEAGUES. OTHERS POINT TO HIS OVERALL LACK OF MANAGEMENT ABILITY AND VISION. (COMMENT: WE BELIEVE A KEY FACTOR MAY BE THAT PHIEU "OVERREACHED" IN HIS EXPLORATORY EFFORTS TO ASSUME THE ROLE OF STATE PRESIDENT AS WELL AS GENERAL SECRETARY, A LA JIANG ZEMIN IN CHINA. SUCH A MOVE, WIDELY AND GENERALLY FAVORABLY DISCUSSED UNTIL LAST FALL, WOULD HAVE BEEN A DRAMATIC DEPARTURE FOR THE HIGHLY CONSENSUAL LEADERSHIP OF THE CPV, WITH ITS LONG HISTORY OF A CAREFULLY BALANCE AMONG SENIOR LEADERS. PHIEU MAY HAVE LOST ANH'S SUPPORT AND THAT OF OTHER ADVISORS AND POLITBURO LEADERS IN PART BECAUSE OF PERCEIVED HUBRIS THAT HE WANTED TOO MUCH POWER. END COMMENT.)

18. (C) WHATEVER THE PROXIMATE CAUSE, IT APPEARS CLEAR THAT ONCE THE SENIOR ADVISORS SIGNALLED THEIR DISAPPROVAL OF PHIEU'S PERFORMANCE, THIS OPENED THE FLOODGATES TO DIFFERENT GROUPS WITHIN THE LEADERSHIP WHO HAD VARIOUS GRIEVANCES AGAINST HIM. THESE INCLUDE, ON THE ONE HAND, THE POWERFUL UNIFORMED MILITARY, WHO HAVE NEVER CLAIMED PHIEU AS ONE OF THEIR OWN. (NOTE: PHIEU MADE HIS CAREER AS A POLITICAL

COMMISSAR IN THE ARMY AND WAS SEEN AS NOT ADVANCING
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THE MILITARY'S INTERESTS WHILE GENERAL SECRETARY. IN
THIS REGARD, THE SWEDISH DCM SAID SHE WAS RECENTLY AT
A GATHERING OF CPV AND MILITARY OFFICIALS WHOM SHE HAS
KNOWN FOR YEARS. THE EXTENT OF ANTIPATHY TO PHIEU WAS
STRIKING. IN HER PRESENCE, TWO OF THE MILITARY CADRE
SPOKE OUT PUBLICLY AND SAID HE NEEDED TO GO. END
NOTE.)

19. (C) REFORMERS, ON THE OTHER HAND, RESENT PHIEU'S
HIGHLY IDEOLOGICAL VIEWS AND HIS CAUTIOUS APPROACH TO
REFORM; THEY POINT TO HIS CLUMSY REMARKS TO PRESIDENT
CLINTON, HIS LACK OF VISION, AND HIS CONTINUAL HARPING
ON "SELF-CRITICISM," A STAPLE THROWBACK OF LENINIST
CONTROL. (OTHERS CRITICIZE THIS CAMPAIGN BECAUSE IT
HAS BEEN SO INEFFECTIVE IN DEALING WITH MALFEASANCE
AND CORRUPTION IN THE RANKS OF PARTY AND GOVERNMENT
OFFICIALS.) AND THERE ARE, OF COURSE, ALSO MANY
PERSONALISTIC REASONS WHY INDIVIDUAL LEADERS HAVE
GRIEVANCES AGAINST PHIEU; HE MADE ENEMIES, FOR
EXAMPLE, BY GOING AFTER ALLIES OF PM KHAI SUCH AS
NGUYEN THAI NGUYEN, WHO WAS ARRESTED AND CHARGED WITH
BEING A SPY FOR CHINA. (COMMENT: ARGUABLY, THE
PERSONALISTIC REASONS -- OF SELF-INTEREST, PERSONAL
RIVALRY AND GRIEVANCE -- MAY BE THE MOST INFLUENTIAL.
IDEOLOGY OFTEN SEEMS TO TAKE A BACK SEAT HERE TO OTHER
MOTIVATIONS. END COMMENT.)

JOCKEYING OVER THE BIG THREE

110. (C) THE WIDE RANGE OF OPPOSITION TO PHIEU SUGGESTS
HE WILL NOT SURVIVE LONG IN HIS POSITION. AFTER THE
FIRST SESSION OF THE 11TH PLENUM IN JANUARY, THERE
WERE CREDIBLE REPORTS HE HAD OFFERED TO STEP DOWN.
ONE ACCOUNT OF A STRAW POLL AMONG POLITBURO MEMBERS
REVEALED ONLY ONE MEMBER -- PHIEU HIMSELF --
SUPPORTING HIS CONTINUING IN HIS JOB. OTHER REPORTS
SUGGESTED OTHER POLITBURO MEMBERS -- INCLUDING
NATIONAL ASSEMBLY SPEAKER NONG DUC MANH, HANOI PARTY
CHIEF NGUYEN PHU TRONG, AND CPV ORGANIZATION DIRECTOR
NGUYEN VAN AN -- ENJOYED MUCH HIGHER JOB APPROVAL AND
WERE POSSIBLE CANDIDATES TO REPLACE HIM.

111. (C) IN THE PAST TWO MONTHS, HANOI HAS BUZZED WITH
WIDELY VARYING SCENARIOS ABOUT WHO AMONG THE POLITBURO
WOULD ASCEND TO PHIEU'S JOB, AS WELL AS THE OTHER TWO
"TROIKA" POSITIONS -- PRESIDENT AND PRIME MINISTER.
THESE SCENARIOS REVOLVE AROUND DIFFERENT
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CONFIGURATIONS OF THE FOLLOWING: HANOI PARTY CHIEF
TRONG, CPV ORGANIZATION DIRECTOR AN, PRESIDENT LUONG,
ASSEMBLY SPEAKER MANH, DEPUTY PRIME MINISTER DUNG, AND
HO CHI MINH CITY PARTY CHIEF NGUYEN MIEN TRIET.
TRONG, AN, LUONG AND MANH SEEM THE MOST CREDIBLE
CANDIDATES FOR GENERAL SECRETARY.

112. (C) WHILE NONE OF THESE LEADERS STANDS OUT AS A
PROHIBITIVE FAVORITE, TRONG CERTAINLY IS A LEADING
CONTENDER TO REPLACE PHIEU. TRONG HEADED THE CPV'S
IDEOLOGY DEPARTMENT AND BEFORE THAT WAS EDITOR OF THE
"COMMUNIST REVIEW." AS HANOI PARTY CHIEF HE OCCUPIES
A GOOD VANTAGE POINT FOR LOBBYING HIS CENTRAL
COMMITTEE COLLEAGUES. THIS PAST YEAR, TRONG HAS
SERVED AS HEAD OF THE PLATFORM COMMITTEE DRAFTING THE
COMPREHENSIVE POLITICAL REPORT FOR THE CPV CONGRESS.
HIS IS A STRONGLY IDEOLOGICAL VOICE THAT WOULD ENSURE
CONTINUITY AT THE TOP -- AND IDEOLOGICAL "BALANCE" TO
MORE TECHNOCRATIC MEMBERS LIKELY TO FILL THE OTHER TWO
SLOTS. WHEN HE MET THE AMBASSADOR LAST YEAR FOR A
COURTESY CALL AFTER MONTHS OF REQUESTS, TRONG REVEALED
LITTLE ABOUT HIMSELF. HE CHATTED STIFFLY ABOUT
DEVELOPMENTS IN HANOI AND HIS COMMENTS WERE TYPICAL OF
CPV JARGON. HIS DEMEANOR MATCHED HIS REPUTATION: ONE
OF THOSE SUSPICIOUS OF THE U.S. AND INSISTENT THAT
REFORM MUST BE CONSISTENT WITH VIETNAM'S SOCIALIST
HERITAGE.

113. (C) RECENTLY NGUYEN VAN AN, WHO HAS BEEN IN THE
SHADOWS OF INTERNAL CPV AFFAIRS FOR THE PAST SEVERAL
YEARS, HAS RE-EMERGED TO CHALLENGE FOR THE TOP CPV
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SLOT. AN WAS A FINALIST FOR THE GENERAL SECRETARY
SLOT IN DECEMBER 1997, WHEN PHIEU WON OUT IN A CLOSE
VOTE WITHIN THE POLITBURO. AS HEAD OF THE CENTRAL
COMMITTEE'S ORGANIZATION DEPARTMENT, AN LIKEWISE
OCCUPIES AN IMPORTANT POST WITHIN THE PARTY AND
SOURCES SUGGEST HE HAS BECOME INCREASINGLY INVOLVED IN
PREPARATIONS FOR THE CONGRESS IN RECENT MONTHS. ONE

SOURCE WITH CLOSE FAMILY CONNECTIONS TO SENIOR CPV LEADERS TOLD US THAT SENIOR ADVISORS LE DUC ANH AND VO VAN KIET REPORTEDLY ARE UNITING BEHIND AN AS THEIR FAVORED CANDIDATE FOR GENERAL SECRETARY. UNDER THIS SCENARIO, IF AN ASCENDS TO THE TOP SPOT, THE THREE SENIOR ADVISORS WOULD MAINTAIN THEIR POSITIONS AS "EMINENCE GRIS" OVERSEEING MATTERS FROM THE WINGS. (AT THIS POINT, IT IS UNCLEAR WHETHER THE SENIOR ADVISORS WILL RETAIN THEIR FORMAL ROLES. ONE OF THE REPORTED CONDITIONS RAISED EARLIER REGARDING PHIEU'S DISMISSAL WAS FOR THE THREE ADVISORS TO STEP DOWN AND FOR THOSE POSITIONS TO BE ABOLISHED. UP TO NOW, HOWEVER, THEY CONTINUE TO EXERCISE CONSIDERABLE INFLUENCE IN THE PRESENT DELIBERATIONS.) AS DOCUMENTED IN PREVIOUS EMBASSY REPORTING ABOUT POLITBURO MEMBERS, AN IS ONE OF THOSE LEADERS WHO IS LARGELY HIDDEN FROM THE PUBLIC AND FOREIGN OBSERVERS. WE DO NOT HAVE A GOOD TAKE ON HIS IDEOLOGICAL BEARINGS.

114. (C) BOTH PRESIDENT LUONG AND NATIONAL ASSEMBLY SPEAKER MANH HAVE BEEN MENTIONED REPEATEDLY IN THE PAST MONTHS AS POSSIBLE CANDIDATES FOR OTHER TOP JOBS. BOTH COULD BE POSSIBLE COMPROMISE CANDIDATES TO MOVE TO GENERAL SECRETARY, ALTHOUGH NEITHER HAS THE PROFILE ONE WOULD NORMALLY EXPECT FOR THE JOB. LUONG IS A LOW-KEY TECHNOCRAT WHO LONG SERVED AS A DEPUTY PM AND HAS GOTTEN GENERALLY GOOD REVIEWS FOR HIS SERVICE AS PRESIDENT; MANH IS FINISHING TWO TERMS AS SPEAKER, AND IS RANKED BY HIS PEERS AS ONE OF THE MORE POPULAR CPV LEADERS. (COMMENT: NEITHER OF THESE TWO IS PARTICULARLY DYNAMIC, BUT IN VIETNAM'S POLITICAL CUPOLA, SOMETIMES "STEADY, SOLID BLANDNESS" IS AN ATTRACTIVE ATTRIBUTE. END COMMENT.) MANH, AN ETHNIC TAY WHO IS THE LONE MINORITY MEMBER IN THE POLITBURO, COULD EITHER BENEFIT OR BE HURT BY LAST MONTH'S DEMONSTRATIONS IN THE CENTRAL HIGHLANDS. SOME IN THE CPV MAY SEE HIS ELEVATION -- EITHER TO GENERAL SECRETARY OR PRESIDENT -- AS A WAY TO MAKE A SYMBOLIC

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GESTURE TO THE COUNTRY'S MINORITIES. ON THE OTHER HAND, WE HAVE HEARD COMMENTS FROM ETHNIC KINH CADRE IN
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HANOI THAT SUCH A MOVE WOULD NOT SIT WELL WITH THE COUNTRY'S MAJORITY.

115. (C) DUNG, AS FIRST DEPUTY PM, IS THE MOST LOGICAL CANDIDATE TO MOVE UP TO PRIME MINISTER, THOUGH SOME RECENT SCENARIOS EVEN SUGGEST PM KHAI COULD BE PERSUADED TO STAY ON IN THAT POSITION FOR A SHORT INTERIM. DUNG, SEEN BY THE BUSINESS COMMUNITY AND MANY WESTERN OBSERVERS AS ONE OF THE MOST PROMISING OF THE NEXT GENERATION OF REFORMERS, REPORTEDLY MAY FACE OPPOSITION AMONG MORE IDEOLOGICAL MEMBERS OF THE LEADERSHIP. IDEOLOGICAL MEMBERS CAUTIOUS ON REFORM MIGHT PREFER A POTENTIALLY LESS DYNAMIC PM; FOR THIS GROUP, A "SAFER" CHOICE MIGHT BE THE TECHNOCRATIC LUONG, WHO PREVIOUSLY SERVED AS DEPUTY PM. (NOTE: A VIETNAMESE-AMERICAN WHO CLAIMS TO HAVE TAUGHT DUNG IN ELEMENTARY SCHOOL INSISTS HE DID NOT GRADUATE FROM JUNIOR HIGH SCHOOL. END NOTE.) ON THE OTHER HAND, TRIET HAS EARNED STRONG KUDOS FROM THE REFORM CAMP FOR HIS LEADERSHIP IN HCMC, AND HE IS A PLAUSIBLE CANDIDATE, AS IS FORMER HCMC PARTY CHIEF TRUONG TAN SANG, NOW IN HANOI AS HEAD OF THE CPV ECONOMIC COMMISSION. ONE OF SANG'S 1997 RECOMMENDATIONS FOR CPV LEADERS TO DISCLOSE THEIR WEALTH HAS NOW BEEN RESURRECTED FOR INCLUSION IN THIS YEAR'S CPV DOCUMENTS.

116. (C) AS THE ABOVE SUGGESTS, THE RANGE OF COMBINATIONS IS WIDE, AND IT IS BY NO MEANS CERTAIN THE CENTRAL COMMITTEE WILL BE ABLE TO REACH AGREEMENT ON SUCCESSORS TO THE CURRENT TEAM. IN FACT, GIVEN THE
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DIFFICULTIES IN REACHING CONSENSUS AMONG DISPARATE FACTIONS, WE HAVE HEARD FROM SEVERAL PARTY-CONNECTED SOURCES THAT THE MOST LIKELY RESULT AT PRESENT IS THAT THE CPV CONGRESS MAY BE DELAYED UNTIL JUNE, WITH THE CURRENT THREE LEADERS REMAINING IN PLACE FOR THE TIME BEING. THE POLISH AMBASSADOR HEARD FROM A SENIOR CPV CONTACT THAT A JUNE CONGRESS LOOKS LIKELY AT THIS POINT, AND IN FACT, PHIEU MAY INTENTIONALLY BE DRAGGING OUT THE STALEMATE IN THE HOPES OF BUYING TIME FOR HIM TO STAY IN PLACE BECAUSE OF DEADLOCK.

RETIREMENT COMING SOON FOR OTHERS IN THE POLITBURO

117. (C) WHEREAS THE FATE OF THE TOP THREE LEADERS REMAINS UNCERTAIN, A NUMBER OF OTHER POLITBURO MEMBERS

CLEARLY ARE SLATED FOR RETIREMENT FROM THE POLITBURO. (NAMING NEW LEADERS TO GOVERNMENT POSTS WOULD HAVE TO BE "FORMALIZED" BY THE NATIONAL ASSEMBLY, THOUGH THE REAL DECISIONS ARE TAKEN BY THE CPV.) THE CENTRAL COMMITTEE DECIDED AT ITS LAST PLENUM SESSION TO REQUIRE THOSE POLITBURO MEMBERS OVER 70 YEARS OLD TO RETIRE (THOUGH IT LEFT OPEN THE POSSIBILITY OF A FEW EXCEPTIONS) AND TO ENCOURAGE THOSE OVER 65 TO STEP DOWN. AMONG THOSE REPORTEDLY RETIRING ARE FATHERLAND FRONT HEAD PHAM THE DUYET, DEPUTY PM NGUYEN MANH CAM (WHO HAD BEEN MENTIONED AS A POSSIBLE VICE PRESIDENT), LONG-TIME HEAD OF THE HO CHI MINH POLITICAL ACADEMY NGUYEN DUC BINH, AND CPV IDEOLOGY HEAD (AND FORMER HANOI PARTY CHIEF) LE XUAN TUNG. DUYET'S STATUS HAS BEEN DEBATED FOR MONTHS, BUT IT NOW APPEARS HE WILL BE EASED OUT.

118. (C) RUMORS CIRCULATE ABOUT POSSIBLE RETIREMENT FOR DEFENSE MINISTER PHAM VAN TRA AND MINISTER OF PUBLIC SECURITY LE MINH HUONG. BOTH OF THEM HAVE RUMORED TO BE ON THE WAY OUT BEFORE, BECAUSE OF AGE AND IN HUONG'S CASE, REPORTS OF SOME HEALTH PROBLEMS. HOWEVER, BOTH OF THEIR MINISTRIES ARE IMPORTANT INSTITUTIONAL POWERS WITHIN THE VIETNAMESE LEADERSHIP, AND THEIR SLOTS WOULD CERTAINLY BE FILLED BY THEIR SUCCESSORS, IF THEY DO INDEED STEP DOWN. CHIEF OF THE ARMY'S GENERAL STAFF LE VAN DUNG CERTAINLY IS A CANDIDATE BY POSITION TO REPLACE TRA AS DEFENSE MINISTER (AND THUS ON THE POLITBURO), BUT HE IS SEEN AS UNSOPHISTICATED BY MANY OF HIS KEY PEERS. (DAO HAS HEARD FROM SEVERAL SOURCES THAT DUNG EARNED HIS STARS HEROICALLY ON THE BATTLEFIELD, BUT HIS PRESENT WORK AS
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CHIEF OF STAFF SEEMS A VALIDATION OF THE "PETER PRINCIPLE.") LT. GENERAL PHAM THANH NGAN IS WIDELY SEEN AS A RISING FIGURE AMONG THE NATIONAL SECURITY OFFICIALS IN THE CPV. HE HOLDS PHIEU'S OLD POSITION AS POLITICAL COMMISSAR OF THE MILITARY; HE ALSO PREVIOUSLY SERVED AS AIR FORCE COMMANDER. WE EXPECT HE WILL REMAIN IN THE LEADERSHIP AND IS A CANDIDATE TO RISE IN INFLUENCE. BECAUSE OF HIS CLOSE TIES TO PHIEU, HOWEVER, HE MIGHT BE HURT BUREAUCRATICALLY IF THE GENERAL SECRETARY IS FORCED TO STEP DOWN NOW. CONVERSELY, HE MIGHT RISE AS A QUID PRO QUO FOR PHIEU'S STEPPING DOWN.

119. (C) FOR OTHERS AMONG THE LEADERSHIP, IT IS EVEN MORE DIFFICULT FOR US TO GAUGE. NGUYEN THI XUAN MY, THE ONLY WOMAN EVER APPOINTED TO THE POLITBURO, IS IN CHARGE OF THE CPV CONTROL COMMITTEE, AND IN THIS CAPACITY COULD BE BLAMED FOR ONGOING CORRUPTION IN CPV RANKS. ONE LONG-TIME FOREIGN OBSERVER PREDICTS SHE WILL RETIRE. (HOWEVER, THE GVN HAS INDICATED ITS INTEREST IN INCREASING THE NUMBER OF WOMEN IN THE NATIONAL ASSEMBLY AND OTHER HIGHLY VISIBLE POSITIONS, AND THIS SUGGESTS SHE MIGHT REMAIN -- OR BE REPLACED BY ANOTHER PROMINENT WOMAN LEADER.) PHAN DIEN, PARTY CHIEF IN DANANG, HAS PRESENTED A CONFIDENT IMAGE TO WESTERN VISITORS WHO HAVE MET HIM IN RECENT MONTHS, SUCH AS THE AUSTRALIAN AMBASSADOR, AND WE SPECULATE HE WILL REMAIN ON THE POLITBURO.

POLICY CONTINUITY RATHER THAN DRAMATIC CHANGES

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120. (C) WHAT WE HAVE SEEN OF THE POLITICAL REPORT AND FIVE- AND TEN-YEAR ECONOMIC PLANS SUGGEST THERE WILL BE NO DRAMATIC CHANGES COMING OUT OF THE PARTY CONGRESS. AND IN FACT THAT IS WHAT ONE NORMALLY EXPECTS OUT OF THIS POLITICAL SYSTEM. THE PARTY'S ENTIRE PROCESS OF "CONSULTATION" OVER A WHOLE YEAR, INVOLVING COMMENTS AND DISCUSSION BY CPV CADRE AT ALL LEVELS AND BY OFFICIALLY SANCTIONED "PUBLIC" VOICES, TENDS TO MAKE THE PARTY CONGRESS DOCUMENTS A BIT OF ALL THINGS TO ALL PEOPLE. FOR EXAMPLE, THE POLITICAL REPORT HAS SECTIONS ON EVERYTHING INCLUDING BUILDING AND REFINING SOCIALISM, HOW TO REFORM SOES, HORTATORY STATEMENTS ABOUT DEFENDING NATIONAL SECURITY, AND HOW TO PROMOTE AN AUTHENTICALLY VIETNAMESE CULTURE RENAISSANCE. TAKEN AS A WHOLE, IT DOESN'T GIVE MUCH OF A GUIDE FOR SPECIFIC ACTION.

121. (C) AS WE HAVE NOTED BEFORE IN OUR REPORTING, ONE OF THE POSITIVES WE SEE IN THE DOCUMENTS IS AN INCREASED RECOGNITION OF VIETNAM'S NEEDS TO EMBRACE THE POTENTIAL INHERENT IN THE "KNOWLEDGE-BASED ECONOMY." THIS FOCUSES BOTH ON DEVELOPING AND MARKETING VIETNAM'S HUMAN RESOURCES POTENTIAL IN TERMS OF INFORMATION TECHNOLOGY AND THE TECHNICAL EXPERTISE OF VIETNAMESE CITIZENS. THIS IS REFLECTED PRACTICALLY IN THE GOVERNMENT'S NASCENT EFFORTS TO DEVELOP GREATER

CAPACITIES IN INFORMATION TECHNOLOGY, INCLUDING SUCH INITIATIVES AS BREAKING GROUND ON HIGH-TECH PARKS IN HO CHI MINH CITY AND HANOI AND IN EFFORTS TO REPLICATE BANGALORE'S OUTSOURCING OF SOFTWARE DEVELOPMENT, FOR EXAMPLE.

122. (C) THE CONGRESS, HOWEVER, IS UNLIKELY TO RESULT IN ANY DRAMATIC BOOST TO THE ECONOMIC REFORM AGENDA. MUCH MORE INFLUENTIAL OVER TIME, BY FAR, WILL BE THE ROLLING IMPLEMENTATION OF THE BILATERAL TRADE AGREEMENT AS ECONOMIC REFORMERS IN KEY MINISTRIES AND OFFICES (AND INDEED MORE PROGRESSIVE REGIONS SUCH AS GREATER HO CHI MINH CITY) PRESS FOR IMPLEMENTATION OF TARGETS IN THEIR AREAS OF RESPONSIBILITY. BY CONTRAST, THE CONGRESS IS MUCH MORE ABOUT CONTINUITY THAN CHANGE. IN ADDITION, SEEMINGLY TOTALLY DIVORCED FROM THE PARTY'S RHETORIC, THE GVN HAS SIGNED AN IN-PRINCIPLE AGREEMENT ON A NEW STRUCTURAL PROGRAM WITH THE IMF AND THE WORLD BANK. THE TIMING OF THE SIGNING OF THIS AGREEMENT INDICATES THE REFORMERS WANT TO ASSURE THE STRUCTURAL PROGRAM IS A "FAIT ACCOMPLI" FOR
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THE PARTY CONGRESS.

123. (C) REPORTS COMING OUT OF THE FIRST HALF OF THE 11TH PLENUM SUGGEST THAT THE CENTRAL COMMITTEE IS LEANING TOWARD ABOLITION OF THE FIVE-MEMBER POLITBURO STANDING BOARD AS UNWORKABLE AND INSTEAD RETURNING TO A SECRETARIAT THAT WILL STAFF THE WORK OF THE POLITBURO. WHAT THIS MEANS FOR DECISION-MAKING IS UNCLEAR. DECISIONS BY THE WHOLE POLITBURO INSTEAD OF A STANDING COMMITTEE WOULD NOT NECESSARILY BE ANY MORE ENLIGHTENED, EFFECTIVE, OR TIMELY. AND, IT IS UNCERTAIN WHETHER THE SECRETARIAT WOULD HAVE ANYTHING OTHER THAN "STAFF" RESPONSIBILITIES.

COMMENT: MORE OF THE SAME

124. (C) COMMENT: IF ALL GOES ACCORDING TO FORM, THE BIGGEST DECISION OF THIS PLENUM LIKELY WILL BE "NO DECISION." WHILE WE JUDGE THERE IS GENERAL AGREEMENT AMONG MOST OF THE CPV LEADERSHIP THAT PHIEU SHOULD GO, IT IS MUCH LESS CLEAR A CONSENSUS CAN BE FORGED ON HIS SUCCESSOR. THAT IS LIKELY TO TAKE SOME MORE TIME, AND WE FIND VERY CREDIBLE THE REPORTS WE HEAR THAT THE PARTY CONGRESS MAY SLIP UNTIL AS LATE AS JUNE. AND EVEN THEN, THERE MAY BE NO AGREEMENT ON THE TOP SLOTS. THE LACK OF CONSENSUS AMONG THIS STALEMATED LEADERSHIP, WHICH IS ADDICTED TO "CONSENSUS" DECISIONS THAT INVOLVE LEAST-COMMON-DENOMINATOR GRADUALISM, SUGGESTS THE POSSIBILITY THAT AN UNPOPULAR PHIEU COULD MANAGE TO HOLD ON FOR PERHAPS EVEN ANOTHER YEAR OR SO,
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BEING REPLACED WELL AFTER THE NINTH PARTY CONGRESS. THE PRECEDENT EXISTS FOR SUCH A MIDTERM REPLACEMENT, SINCE PHIEU HIMSELF WON OUT OVER AN IN A SPLIT POLITBURO VOTE IN DECEMBER 1997, SOME 18 MONTHS AFTER THE EIGHTH CONGRESS.

125. (C) IN ANY EVENT, ONE THING IS CERTAIN: THERE WILL BE NO DRAMATIC POLICY CHANGES COMING OUT OF THE COMMUNIST PARTY CONGRESS. WE WILL SEE A GRADUAL CHANGE OF EMPHASIS, PERHAPS, AND IN TIME GENERATIONAL CHANGE WILL BRING (HOPEFULLY) FRESHER PERSPECTIVES TO THE FORE. BUT IN THE SHORT TERM, THE NEW COLLECTIVE POLITBURO LIKELY WON'T ACT MUCH DIFFERENT THAN THE CURRENT VERSION. IT WILL CONTINUE TO TRY TO BALANCE THE DISPARATE "FACTIONS" OF THIS DIVIDED CPV BY MUDDLING THROUGH WITH ITS OXYMORONIC "STATE-LED MARKET-ORIENTED SOCIALIST DEVELOPMENT." END COMMENT.
HARTER

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